

CIN No. : L26914KA1983PLC005401

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MCL:SEC:2017:4294

24.08.2017

National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex,
Bandra East,
Mumbai-400051

Dear Sir,

Sub: Notice of 34th Annual General Meeting.

We wish to inform you that the 34th Annual General Meeting of Murudeshwar Ceramics Ltd is scheduled on 22.09.2017 at 4.00PM at Shri R N Shetty Kalyana Mantapa, Opp: Indira Glass House, Hubli-580029.

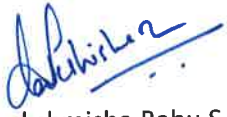
In this regard, please find attached the Notice of 34th Annual General Meeting of the Company.

Kindly take this intimation on record.

Thanking you,

Yours faithfully,

For Murudeshwar Ceramics Ltd



Lakshmisha Babu.S
Company Secretary



An ISO 9001-2008 Certified Company

NOTICE

To,
The Members, Murudeshwar Ceramics Limited

NOTICE is hereby given that the Thirty fourth Annual General Meeting of the Members of Murudeshwara Ceramics Limited will be held at Shri R N Shetty Kalyana Mantap, Opp. Indira Glass House, Hubli – 580 029 on Friday 22nd day of September, 2017 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Balance Sheet of the Company as at 31st day of March, 2017 and the Profit and Loss Account for the year ended on the said date and the Cash Flow Statement together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Naveen Rama Shetty (DIN 00058779), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint of M/s. K.A. Raghupathy & Co., (Firm Registration No.0115735) Chartered Accountants, Bengaluru, as the Statutory Auditors of the Company.

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), M/s. K.A. Raghupathy & Co., (Firm Registration No.0115735) having office at No.81, "SRI GURUKRUPA", 2nd Main, 3rd A Cross, Nanjappa Layout, Vidyananyapura, Bengaluru - 560 097 be and is hereby appointed as the Statutory Auditors of the Company in place of M/s. M A Narasimhan & Co., Chartered Accountants, (Regn. No. 002347S, Statutory Auditors of the Company retiring at the conclusion of this Annual General Meeting) for a period of five years i.e. from the conclusion of this 34th Annual General Meeting till the conclusion of 39th Annual General Meeting of the Company, subject to annual ratification by the shareholders at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee."

SPECIAL BUSINESS

4. To re-appoint Shri Satish Rama Shetty (DIN 00037526), as Managing Director of the Company.
To Consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT

- (1) Pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to re-appoint Shri Satish Rama Shetty (DIN 00037526), as Managing Director of the Company for a period of three years with effect from June 27, 2017 on the following remuneration, Terms and Conditions.
 - i) **Salary** : ₹ 5,00,000/- (Rupees Five lakhs only) per month
 - ii) **Housing** : House Rent Allowance as may be decided by the Board of Directors subject to maximum of 20% of the salary
 - iii) **Provident Fund** : Employers contribution not exceeding 12% of the salary
 - iv) **Superannuation Fund** : As per Company's rules not exceeding the non-taxable maximum limits
 - v) **Gratuity** : As applicable to senior executives of the Company subject to limit not exceeding non-taxable maximum limits.
 - vi) **Leave & leave encashment** : As per leave rules of the Company
 - vii) **Leave Travel concession** : For self, wife and dependent children once in a year as per rules applicable to senior executives of the Company
 - viii) **Medical Reimbursement** : Actual expenses incurred for self, wife and dependent children subject to maximum of one month's salary per year
 - ix) **Club Membership** : Fees for membership of any two clubs excluding life membership
Company's car with driver for official purposes of the Company
 - x) **Telephone** : Free telephone facility at residence for official purposes of the Company.
- (2) the salary and perquisites payable to Shri Satish Rama Shetty pursuant to this resolution shall be the minimum remuneration payable irrespective of whether there is adequate profit in any year or not.
- (3) the term of office of Shri Satish Rama Shetty shall be liable to be determined by retirement by rotation.
- (4) the Board of Directors is hereby authorized to modify, alter or vary the aforesaid terms and conditions and/or prescribed such further terms and conditions as may be deemed fit by the Board of Directors, from time to time.

Place : Bengaluru
Date : July 31, 2017

By Order of the Board
For Murudeshwar Ceramics Limited
LAKSHMISHA BABU S
Company Secretary

TRUE COPY

For MURUDESHWAR CERAMICS LIMITED
Lakshisha Babu S
LAKSHMISHA BABU S
Company Secretary

NOTICE (Contd.)

NOTE:

- (1) Any Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the meeting and vote on behalf of such member at such meeting and such a proxy need not be a member. Proxy in order to be effective must be received at the Company's Regd. Office not less than 48 hours before the meeting.
- (2) Any document / Proxy Form in connection with the Annual General Meeting of the Company signed by any person for and on behalf of any Institution, Bank, Body Corporate etc., will be valid, only if such document/proxy form is supported by a duly authenticated copy of the Resolution of the Board of Directors authorising such person to sign such document and/or to represent such Institution, Bank, Body Corporate etc., as the case may be.
- (3) Documents pertaining to items referred to in the Notice are available for inspection by any member/s at the Registered Office of the Company on any working day from 2 p.m. to 6 p.m. upto the date of Annual General Meeting.
- (4) Brief resume of directors propose to be appointed/reappointed is furnished in the Corporate Governance Report forming part of this Annual Report.
- (5) Register of Members/Transfer books of the Company will be closed from Saturday September 16, 2017 to Friday September 22, 2017 (both days inclusive).
- (6) Members seeking any information/clarification concerning the Accounts for the year 2016-17 are requested to send their specific request addressed to the Company Secretary at the Registered Office of the Company atleast seven days before the Annual General Meeting.
- (7) Members are requested to bring their copies of Annual Reports to the meeting and also to handover their attendance slips signed by the members/valid proxies at the entrance of the meeting hall.
- (8) Please also refer "General Information to Shareholders" in the annexure to Corporate Governance Report forming part of this Annual Report.
- (9) In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.
- (10) Please refer last page of Annual Report for AGM Location Map.

The instructions for e-voting are as under:

A. In case a Member receives an e-mail (for Members whose e-mail addresses are registered with the Company/ Depositories) :

- (a) Open the e-mail and also open PDF file namely "Remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (b) Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
- (c) Click on Shareholder – Login.
- (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- (e) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- (f) The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- (g) Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- (h) Select "EVEN" (E-Voting Event Number) of Murudeshwar Ceramics Limited. Now you are ready for E-voting as Cast Vote page opens.
- (i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (j) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (k) Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- (l) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sunil_j_shah@yahoo.com and investor@naveentile.com with a copy marked to evoting@nsdl.co.in
- (m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) – Shareholders and e-voting user manual – Shareholders, available at the downloads section of www.evoting.nsdl.com

TRUE COPY

For MURUDESHWAR CERAMICS LIMITED

Lakshmi Babu S
LAKSHMI BABU S
COMPANY SECRETARY

NOTICE (Contd.)

B. In case of Member receives physical copy of Notice of AGM (for Members whose e-mail addresses are not registered with the Company/Depositories):

- (a) Initial password is provided in the enclosed Annual Report and Notice : EVEN (E-Voting Event Number), user ID and password/Pin.
- (b) Please follow all steps from Sl. No. A(b) to Sl. No. A(m) above, to cast vote.

C. Other Instructions:

- (a) The e-voting period commences on September 19, 2017 (9.00 a.m. IST) and ends on September 21, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 15, 2017 (Cutoff date {record date}) may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- (b) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the AGM.
- (c) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 15, 2017 (Cutoff date {record date}).
- (d) Mr. Sunil J. Shah, Practicing Company Secretary (Membership No. ACS:8717), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (e) The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witness not in employment of the company and shall make not later than three days of the conclusion of AGM, a consolidated scrutinizer report of the total votes cast in favour or against if any to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (f) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.naveentiles.co.in and on the website of NSDL immediately after the declaration of the results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock exchanges.

STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013.

Item No. 5

Re-appointment of Shri Satish Rama Shetty as Managing Director of the Company

The Members may note that based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 24th May, 2017, approved the re-appoint of Shri Satish Rama Shetty as a Managing Director of the Company for a period of three years w.e.f. 27.06.2017. The remuneration of Shri Satish Rama Shetty has been increased from ₹2 lakhs to ₹5 lakhs with other perquisites and facilities as mentioned in the resolution subject to the approval of the members of the Company.

In pursuance to Schedule V, Part II, Section II Part (B), proviso (iv), a Statement containing following information is reproduced:

I. General Information :

(1) Nature of the Industry:

Murudeshwar Ceramics Limited (MCL) is engaged in the business of manufacture and sale of a wide range of Ceramic and Vitrified tiles.

(2) Incorporation Details

The Company was incorporated pursuant to a Certificate of Incorporation dated June 29, 1983 (bearing Registration No. 5401 and Corporate Identification Number L26914KA1983PLC005401 issued by Registrar of Companies, Karnataka, as a Public Limited Company under the provisions of the Companies Act, 1956, as amended under the name Murudeshwar Ceramics Limited. The Company commenced its business pursuant to a Certificate of the Commencement of Business dated July 19, 1983 issued by the Registrar of Companies, Karnataka. The name of the Company was changed to Murudeshwar Ceramics Limited pursuant to a Fresh Certificate of Incorporation Consequent to Change of Name dated December 2, 1987.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable

TRUE COPY

For MURUDESHWAR CERAMICS LIMITED

Lakshmi
LAKSHMISHA BABU S.
COMPANY SECRETARY

NOTICE (Contd.)

(4) Financial Performance

The financial performance (standalone) of the company for the past 3 years is given below: (₹ in lakhs)

Particulars	2016-17	2015-16	2014-15
Turnover	10524.53	11502.23	13807.12
Profit /(Loss) Before Tax	325.05	169.28	201.60
Profit /(Loss) After Tax	239.37	157.03	171.90
Dividend (%)	Nil	Nil	Nil

(5) Foreign investments or collaborations, if any : Not Applicable.

II. Information about the Managerial Person being appointed :

(1) Background Details

Shri Satish Rama Shetty aged about 55 years is a graduate in Mechanical Engineering from Karnataka University. He is on the Board of this Company since December 1987. Shri Satish Rama Shetty has taken a very active part in every expansion and diversification projects of the Company including establishment of Vitrified tile manufacturing unit at Karaikal and at Sira, Tumkur. He has been continuously involved in upgradation and value addition to the product manufacturing by adopting improved technology, body matrix, improved designs and varieties.

Shri Satish Rama Shetty is a member of the Executive Committee of directors. Shri Satish Rama Shetty is a Directors in RNS Infrastructure Ltd, Naveen Hotels Ltd., Naveen Mechanised Construction Co. Pvt. Ltd., Naveen Structural & Engineering Co Pvt. Ltd., Murudeshwar Power Corporation Ltd., Murudeshwar Developers Ltd., Murudeshwar Infosystems Ltd., Firebricks & Potteries Pvt. Ltd. SHP Auto Service Pvt. Ltd., RNS Motors Ltd., Shri Murudeshwar Tiles Pvt. Ltd. and RNS Power Ltd.

(2) Past remuneration

Salary for the past 3 years : 2014-15 (₹28.89 lakhs), 2015-16 (₹30.48 lakhs) and 2016-17 (₹30.48 lakhs)

(3) Recognition or awards : Nil

(4) Job Profile and his suitability

Since inception of the Murudeshwar Ceramics Limited he is looking after day to day business of Murudeshwar Ceramics Limited as Executive Director. He has been appointed as a Managing Director in 1997. The various expansion projects of the Company since 1991 have been implemented under his technical supervision and guidance. He is not only looking after the production quality maintenance but also marketing, finance and other administration activities of the Company. Under the able leadership of Shri Satish R Shetty, the Murudeshwar Ceramics Ltd. has been awarded ISO-9001:2008 Certificate by United Registrar of Systems (URS) in recognition of its commitment to quality.

(5) Remuneration proposed

Breakup of the remuneration is mentioned in the resolution.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Our Company cannot be compared to another company in the industry due to various parameters. However, the remuneration paid to the Managing Director is very less compared to industry standard as a whole.

(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any : Shri Satish Rama Shetty is the son of Dr. R N Shetty –Chairman and brother of Shri Sunil Rama Shetty and Shri Naveen Rama Shetty – Non Executive Directors of the Company.

III. Other Information :

(1) Reasons for loss or inadequate profits : The company is gaining profits over a period of time, but those profits are inadequate to pay remuneration as mentioned in the resolution. Accordingly management has decided to pay remuneration as per Schedule V of the Companies Act, 2013.

(2) Steps taken or proposed to be taken for improvement : Covered under Directors' Report in the Annual Report (Starting From Page No.6).

(3) Expected increase in productivity and profit in measureable terms : Our business is complex since there are many unorganized players with fetch unethical competition to us. Since major customers are located with the country, futuristic prediction may not be realistic. Hence the number cannot be derived in absolute terms. However, the Board of Directors are taking all the necessary steps to increase the productivity and profitability in the interest of all the stakeholders.

Place : Bengaluru
Date : July 31, 2017

By Order of the Board
For Murudeshwar Ceramics Limited
LAKSHMISHA BABU S
Company Secretary

TRUE COPY

For MURUDESHWAR CERAMICS LIMITED

LAKSHMISHA BABU S
COMPANY SECRETARY